

## QUICK FACTS:

### *LICENSING & BONDING*

- A permanent license is issued.
- Yearly licensing fee is required.
- Licensee shall maintain the required amount of bonding as prescribed in the statute.
- Licensee shall maintain a current asset to current liability ratio of 1:1.
- Licensee shall maintain net worth as prescribed in the statute.
- Licensee must insure all grain that is or may be in the licensee's facilities for its full value, and provide a certificate of insurance to the Agency.
- Producer has an automatic lien on their grain when it is delivered to a licensed facility. The lien expires when the producer is paid. The statute establishes a priority of liens.
- Public notices may be published in the case of suspensions or failure to comply with licensing requirements.
- Law, rules and forms are available on the web at [www.IN.gov/isda](http://www.IN.gov/isda)

## GRAIN PRODUCER:

### *WHAT YOU SHOULD KNOW*

- ♦ If the elevator is offering storage, grain bank, warehouse receipts, deferred pricing (D.P.), price later contracts or is buying grain; do they have a current license posted?
- ♦ Are storage and service rates disclosed to you?
- ♦ Does the facility use grain contracts?
- ♦ Does the facility give numbered scale tickets? Are they marked correctly (storage, D.P., price later, sold)?
- ♦ Are the SPARC checkoff & Indemnity Fund premium (if in effect) deducted and itemized on the settlements?
- ♦ Is the facility well maintained?
- ♦ Does the facility have regular business hours?

### *TIPS*

- ♦ Always read, then sign, the contracts and keep a copy for your records.
- ♦ Always keep your scale tickets and settlement sheets. They are valid proofs of claim.
- ♦ Keep settlement sheets that show Indemnity Fund deductions.

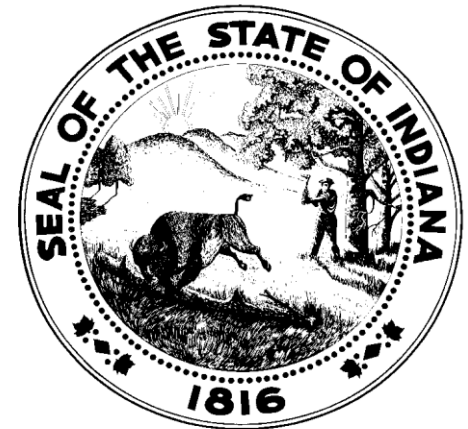
#### *This is proof of participation in the fund.*

- ♦ Look for the LICENSE and BIN CHARTS posted at the facility.

For detailed clarification or a copy of the appropriate state statute contact:

Indiana Grain Buyers & Warehouse Licensing Agency  
One North Capitol Avenue, Suite 600  
Indianapolis, Indiana 46204  
Phone: 317/232-1356  
Fax: 317/232-1362  
[www.IN.gov/isda](http://www.IN.gov/isda)

# INDIANA GRAIN BUYERS & WAREHOUSE LICENSING AGENCY



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## OUR MISSION

To ensure the financial integrity of the grain marketing infrastructure, while allowing the industry to be competitive, innovative and efficient.

Warehouse regulation is intended to ensure that warehousemen maintain the quantity and quality of grain stored for farmers and other depositors. This applies to warehouse receipt, open storage and grain bank obligations.

## AGENCY HISTORY

Indiana's grain dealer and warehouse licensing laws became effective on January 1, 1975, when the Indiana Commodity Warehouse Licensing Agency (ICWLA) was created to oversee the activities of grain buyers and warehouses.

In 1982, the dealer law was repealed and grain buying was deregulated.

In 1991, the statute was updated to reflect changes in the industry.

In 2001, IGBWLA entered into an audit agreement with the Indiana Soybean Development Council, Inc. to conduct audits on the Soybean Promotion and Research Checkoff (SPARC).

In 1996, the Agency entered into a similar agreement with the Indiana Grain Indemnity Corporation (IGIC).

In 1997, a new law was passed regulating grain banks, grain buying, and warehousing.

In 2005, the Agency became part of the Indiana State Department of Agriculture (ISDA).

## OPERATIONS

### Licensing

Four license types:

Grain bank	Buyer/Warehouse
Warehouse	Grain buyer

Licenses, bin charts and diagrams are to be posted in a conspicuous place at each facility.

### Auditing

Monitor the grain banks, grain buyers and warehouses for compliance to state statutes.

Field auditors measure grain and perform state, IGIC and SPARC audits.



### Moisture Meter Testing

Inspect and test moisture testing equipment each year. Ensures that both the producer and the elevator have an equitable system to determine moisture levels in grain.

### Hearings

Hosts administrative hearings to confirm if a licensee has failed to meet its obligations under the law when an apparent violation of Indiana statute occurs.

## LICENSING TYPES

- **Grain Bank license -**
  - Stores only grain bank grain.
  - Purchases less than 50,000 bushels of grain per year and has storage capacity of not more than 50,000 bushels of grain.
- **Warehouse license -**
  - Primarily stores grain.
  - Permits limited purchases of grain from producers.
- **Grain Buyer license -**
  - Purchases at least 50,000 bushels of grain per year from producers, which is not for the sole purpose of feeding the company's own livestock or poultry.
  - Offers deferred pricing, delayed payments, or contracts linked to the commodity futures or commodity options market in connection with grain purchases.
- **Buyer/Warehouse license -**
  - Operates both as a warehouse and as a grain buyer.

## REQUIREMENTS

**Applications and Fees** — Must complete the application and fee process.

**Bonding** — Determined by the type of license being issued and the scope of the business (storage capacity, purchase volume, etc).

**Annually Reviewed Financial Statement** — Licensees are required to provide a "review-level" financial statement within 90 days of the fiscal year end.

**Net Worth** — Varies with the type of license and the scope of the business.

**Stocks Insured** — Required to be insured for full market value.

**Equipment & Record Keeping** — Truck scales are required to be inspected annually. Scale tickets and adequate record keeping are required.

